

HOUSE BILL 1482

By Fincher

AN ACT to amend Tennessee Code Annotated, Section 56-7-2312, relative to continuation of terminated group coverage.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 56-7-2312(a), is amended by deleting subsection (a) in its entirety and by substituting instead the following:

(a) A group policy delivered or issued for delivery in this state which provides hospital, surgical or major medical expense insurance, or any combination of these coverages, on an expense incurred basis, but not a policy which provides benefits for specific diseases or for accidental injuries only, shall provide that an employee or member whose insurance under the group policy has been terminated for any reason, except discontinuance of the group policy in its entirety or with respect to an insured class or termination for employment-related gross misconduct, and who has been insured under the group policy (and under any group policy providing similar benefits which it replaces) prior to termination, shall be entitled to have such coverage nonetheless continued under the group policy for the fractional policy month remaining at termination, plus six (6) additional policy months upon payment in advance to the employer of the full group premium for this continuation of coverage, including any portion thereof usually paid by the person's former employer on or before the beginning of each month's coverage.

SECTION 2. Tennessee Code Annotated, Section 56-7-2312(d)(1), is amended by deleting subdivision (1) in its entirety and by substituting instead the following:

(1) The provisions of this section apply to individuals who are terminated from group coverage because of divorce or because of the death of the insured spouse,

except that an individual to whom any of the foregoing applies shall be entitled to have such coverage continued under the group policy for the fractional policy month remaining at termination plus up to eighteen (18) additional policy months upon payment in advance to the employer the full month's group premium for this continuation of coverage on or before the beginning of each month's coverage, including any portion thereof usually paid by the employer. This subdivision does not prohibit a group policy from granting a longer period of continued coverage than provided herein, nor from offering broader coverage than provided herein, nor from granting coverage after the death of the insured spouse as otherwise provided. Individuals whose group coverage is terminated during pregnancy shall be entitled to have their coverage continued under the group policy for the fractional month remaining at termination plus a period of not less than six (6) months after the pregnancy ends and not more than the end of the second three-month period following the three-month period within which the pregnancy ends.

SECTION .3 This act shall take effect July 1, 2007, the public welfare requiring it.